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NSC BRIEFING

26 February 1958

ARGENTINA (long)

19,000,000
105,000

almost

I. ~~A~~ Incomplete election returns show Arturo Frondizi leading nearest rival almost 2 to 1.

A. Vote was:

Frondizi	4,086,000
Balbin	2,581,000
11 others	2,600,000
Blank votes	637,000

B. Frondizi does not have popular majority but does not need it. He will have majority of electoral college which meets 17 March.

C. Victory ~~much larger than expected~~; attributable largely to support by Peron--based on secret pact--and by Communists. Peron vote may be 1/3 of total for Frondizi. Peron, Frondizi are enemies nevertheless.

D. Frondizi's party--Intransigent Radical--took all 22 provincial governorships; 70 percent chamber of deputies (may have entire senate--senate to be chosen by incoming provincial legislatures during March).

E. New government to take office 1 May.

II. Magnitude Frondizi victory reduced likelihood of revolt by conservative military elements.

A. Military--including some members present government--probably hesitates attempting to by overturn such a decisive mandate.

B. Also Aramburu (an army general) has restated insistence that military must not interfere. Aramburu believed extremely disappointed Frondizi victory but is man of principle.

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C. However, Peronistas inciting military unrest by presenting demands to Frondizi as payment for their vote.

1. They demanding things Frondizi has openly promised, such as political amnesty.
2. Their demanding what he has already promised may make him appear Peronista pawn.
3. If demands continue, military may interfere with inauguration.

D. Peron stated privately he can force Frondizi to permit his return but says he will postpone return indefinitely to prevent "needless minor disturbances."

E. Legal Communist party (70,000 members) gained no seats in legislature.

III. Frondizi's future actions difficult to predict since he is basically unprincipled.

25X6

A. Has been called [REDACTED] --won't take money from public till but cannot be counted on to honor agreements unless it suits his purpose.

B. He is thin, bespectacled intellectual; presents self to public as a great thinker with easy solutions to all Argentine problems.

C. Is confronted with extremely serious economic problems-- trade deficit of \$300 million last year, inflation running 25%, run-down industrial plant. He will probably do business with whatever country offers financial help.

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IV. Frondizi is not especially friendly with US; [REDACTED]
25X6 [REDACTED]

- A. Has said he is "too busy" to visit US or Europe prior to inauguration but probably could be persuaded.
- B. Public position is nationalistic. He opposes foreign investment in oil and other natural resources.
 - 1. However, has said privately he approves of such investment, is reportedly seeking face-saving solution.
- C. Opposes all military pacts including the Rio Treaty but approves UN.
- D. Has told Amamburu he will "accept" a reasonable settlement of claims by American and Foreign Power for expropriations of past decades.
 - 1. Has not revealed attitude on settlement with American meatpackers.
- E. Frondizi shares general resentment of US surplus agricultural disposal program and US import restrictions on tung nuts and oil.
 - 1. Shares belief US has been "penurious" with those who ousted Peron and has stated will accept no aid with strings.
- F. Said he will trade with all countries.

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